

IN THE HIGH COURT OF JUDICATURE AT BOMBAY  
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.728 OF 1998

The Commissioner of Income Tax  
Bombay City-III, Bombay .. Applicant.  
V/s.  
M/s.S.K.M. Fabrics Pvt.Ltd. .. Respondent.  
Mr.A.S. Rao i/b. Mr.Pankaj Kapoor for the applicant.

CORAM : V.C. DAGA &  
J.P. DEVADHAR, JJ.

DATED : 5TH APRIL, 2005.

P.C. :

1. Heard learned counsel for the applicant. The Tribunal has referred question for the opinion of this Court reading as under :-

Whether in the facts and in the circumstances of the case, the Tribunal was right in law in holding that central subsidy received by the assessee is not to be deducted from the cost of building, plant and machinery for the purpose of grant of depreciation ?

2. The above question has already been answered by the Apex Court in the case of **C.I.T. V/s. P.J. Chemicals Ltd. [(1994) 210 I.T.R. 830 (SC)]** in the affirmative i.e. in favour of the assessee and against the revenue. In this view of the matter, reference stands disposed of in terms of that judgment with no order as to costs.

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